

### **Rule 9020-3 LOSS MITIGATION PROGRAM PARTICIPATION & DUTIES**

(a) The debtor and creditor are the primary LMP participants. Any interested party may request by motion, or the Court may on its own direct, that a co-debtor, additional creditors or other third parties participate in the LMP in furtherance of pursuing a global resolution.

(b) The Chapter 13 Trustee may participate in the LMP to the extent that such participation would be consistent with the Chapter 13 Trustee's duties under the Bankruptcy Code.

(c) LMP sessions may be conducted in person, telephonically, online via the Portal, or by videoconference. Prior to the conclusion of each LMP session, the participants shall determine whether additional sessions are necessary. If additional sessions are necessary, the participants shall schedule the next session and establish a precise schedule for exchanging all required information and documentation.

(d) The debtor and creditor shall have a person with full settlement authority present during each LMP session. During a status conference or settlement conference with the Court, a person with full settlement authority shall attend the conference in person unless participation by telephone or videoconference is expressly authorized by the Court.

(e) LMP participants shall negotiate in good faith. A party failing to participate in good faith may be subject to sanctions.

(f) A debtor who files a motion to commence the LMP (Local Bankruptcy Form 39), shall immediately make adequate protection payment to the creditor in an amount that is at least sixty percent (60%) of the monthly principal and interest payment that is contractually due, plus one hundred percent (100%) of any required monthly escrow payment. If the creditor objects to the amount of the adequate protection payment proposed by the debtor, after adequate notice, the Court shall hold a hearing to consider the objection.

(g) If the debtor is required to direct adequate protection payments to a different address than the debtor utilized prior to the filing of the bankruptcy case, the creditor shall promptly advise the debtor of the correct address and any other requirements to ensure the proper posting and processing of the payments.

(h) If a relief from stay motion pursuant to section 362(d) is pending when a Loss Mitigation Order is entered or if such a motion is filed during the LMP period, the Court may condition the stay upon compliance by the debtor with the fulfillment of the debtor's obligations under the Loss Mitigation Order. If the debtor fails to comply with the LMP process or the Loss Mitigation Order, the creditor may apply to terminate the Loss Mitigation Order pursuant to W.PA.LBR 9020-5.

(i) In a Chapter 13 case, the Chapter 13 Trustee may recommend entry of an Interim Confirmation Order substantially in the form of Local Bankruptcy Form 43 pending the resolution of the LMP process. Under the terms of the Interim Confirmation Order, distribution to administrative, priority, and secured creditors, including the payment of arrearages, if any, and

adequate protection, may be set forth, and a date for a Confirmation Hearing, consistent with the terms of the Loss Mitigation Order, shall be fixed.